

# MISSOURI FIRST LINKED DEPOSIT

## “JOB CREATION”

MISSOURI STATE TREASURERS OFFICE

### PURPOSE

Facilitate a lower interest rate on loans to approved businesses.

### AUTHORIZATION

Sections 30.750 to 30.767, RSMo.

### HOW THE PROGRAM WORKS

The State Treasurer will provide a deposit of state funds to a lender selected by an approved company. The deposit is placed at below-market rates and the difference is passed on to the borrower as a lower interest rate on the loan.

### ELIGIBLE AREAS

Statewide.

### ELIGIBLE APPLICANTS

Eligible businesses include new, existing or expanding firms that annually employ at least 10 full-time employees and are able to create at least one job for each \$25,000 borrowed in the next 12 months. The same criteria applies for job retention, but documentation will be required to establish “retention”. Companies investing in technology and/or exporting may also be eligible for retention. Added emphasis is placed on higher quality jobs, jobs created in targeted industries and in economically depressed areas, and spin-off jobs. Loan approval is made by the financial institution subject to the institution’s normal credit policy. This program does not guarantee the lender’s loan.

### ELIGIBLE USE OF FUNDS

There are few restrictions on the use of funds. The loan proceeds (related to the deposit) may be for new capital expenditures or to assist with working capital. Lines of credit or refinancing are eligible. The program may also be used with federal or state loan guarantee programs.

### APPLICATION PROCEDURE

A brief application must be completed by the participating lender and submitted to the State Treasurer.

The application and guidelines are available at the Missouri State Treasurer web site:  
[www.sto.state.mo.us/link/apps/apps/htm](http://www.sto.state.mo.us/link/apps/apps/htm).

### APPROVAL METHOD

The State Treasurer will approve applications based upon eligibility criteria and place a reduced-rate deposit for approved applicants. The lender would provide the loan to the borrower, passing on the reduced interest rate due to the program.

### FUNDING LIMITS

The minimum deposit is \$90,000. The maximum deposit that is allowed for each job created/retained is \$25,000. The Treasurer’s Office will determine the actual deposit amount per job created on a case-by-case basis.

### SPECIAL PROGRAM REQUIREMENTS

- ?? The interest rate under this program is about 2% to 3% lower than the borrower’s usual loan rate. The maximum rate allowed is based on 70% of the usual rate the lender would provide for a one-year loan to the borrower.
- ?? Deposits can be made for a one-year period and generally are not subject to renewal. However, if original job creation projections are met, and additional job creation is expected in year two, an additional deposit may be renewed based on the additional jobs to be created, if funds are available.
- ?? Audits will be performed to ensure that the company creates the projected number of jobs listed on the borrower’s original loan application during the deposit period and that loan proceeds are used in accordance with the

law. If the borrower does not meet these requirements, the Treasurer will charge the lending institution the market rate deposit rate on the deposit. The lender, in turn, then may charge the borrower the market rate on the loan.

## **CONTACT**

Missouri State Treasurer  
Program Director: B.K. Perkins  
301 W. High Street, P.O. Box 210  
Jefferson City, MO 65102  
Phone: (800) 662-8257

## **OTHER SERVICES OF DED**

### **DED REGIONAL OFFICES**

St. Louis (314) 340-6823  
Kansas City (816) 889-2900  
Trenton (660) 359-5960  
Springfield (417) 888-4001  
Moberly (660) 269-8802  
Dexter (573) 624-9950  
Houston (417) 967-5770  
Jefferson City (573) 751-0482

### **RELAY MISSOURI SERVICE**

Voice user calling a hearing/speech impaired user:  
800-735-2466.  
Hearing/Speech impaired user calling a voice user:  
800-735-2966.

### **EMPLOYMENT ASSISTANCE**

DED's Division of Workforce Development works in collaboration with its one-stop career system partners to offer workforce development assistance to job seekers and employers. By using the State's network of one-stop career centers, customers can access America's Job Bank, seek referral and placement assistance, career counseling and testing, labor market information and use Missouri WORKS!, an Internet based, self-service workforce development tool. To find your nearest Division of Workforce Development location, consult your telephone directory under State Government or visit [www.ecodev.state.mo.us/wfd](http://www.ecodev.state.mo.us/wfd)

### **MISSOURI MARKETPLACE**

Information on thousands of Missouri-made products and services designed to encourage both in-state and out-of-state businesses and consumers

to buy Missouri-made products. Registration is free and open to any Missouri-based company. To search the database or register your company, visit: [www.missourimarketplace.org](http://www.missourimarketplace.org)

### **INTERNATIONAL MARKETING**

DED's Office of International Marketing works to make companies aware of international opportunities and help them secure new business. For more information on the services available, please call (573) 751-4855 or 1-888-690-4855, by e-mail at [missouri@mail.state.mo.us](mailto:missouri@mail.state.mo.us). or visit [www.ecodev.state.mo.us/intermark](http://www.ecodev.state.mo.us/intermark).